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December 16, 2005

Mr. Henry Walker
Boult, Cummings, et al.
1600 Division Street, #700
P. O. Box 340025
Nashville, TN 37203

Re: Application of Bristol Tennessee Essential Services for a Certificate of Public Convenience and Necessity to Provide Competing Telecommunications Services Within the State of Tennessee

Docket No. 05-00251

Dear Henry:

Please find enclosed United Telephone-Southeast, Inc.'s Second Set of Interrogatories and Requests for Production of Documents to your client Bristol Tennessee Essential Services in the above-referenced docket. As a reminder, responses are to be served on me by January 6, 2006.

Please do not hesitate to contact me with any questions concerning this matter.

Sincerely yours,

Edward Phillips

HEP:sm

Enclosure

cc: Sharla Dillon

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

In Re:

Application of Bristol Tennessee Essential Services
for a Certificate of Convenience and Necessity to
Provide Competing Telecommunications Services

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) Docket No. 05-00251
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)

**UNITED TELEPHONE-SOUTHEAST, INC.'S SECOND SET OF
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF
DOCUMENTS TO BRISTOL TENNESSEE ESSENTIAL SERVICES**

Pursuant to Authority Rule 1220-1-2-.11, United Telephone-Southeast, Inc. ("UTSE") submits these discovery requests to Bristol Tennessee Essential Services ("BTES"). UTSE requests that BTES provide answers to these discovery requests to its counsel, Edward Phillips at United Telephone-Southeast, Inc., 14111 Capital Boulevard, Wake Forest, North Carolina, 27587-5900.

(a) If any response required by way of answer to these requests is considered to contain confidential or protected information, please furnish the requested information when a protective order has been entered in this docket and the appropriate non-disclosure agreements have been executed by the parties.

(b) If any response required by way of answer to these requests is withheld under a claim of privilege, please identify the privilege asserted and describe the basis for such assertion.

(c) If any request cannot be responded to in full, answer to the extent possible and specify the reason for your inability to respond fully. If you object to any part of a request, answer all parts of the request to which you do not object, and as to each part to which you do object, separately set forth the specific basis for the objection.

(e) These requests require supplemental responses consistent with the provisions of the Tennessee Rules of Civil Procedure.

DEFINITIONS

“You,” “your” or “BTES” refers to Bristol Tennessee Essential Services and any parent or subsidiary corporations, DBAs, FKAs, and the employees, agents, representatives, or consultants of Bristol Tennessee Essential Services or any parent or subsidiary corporations.

“Representative(s)” means those persons, past and present not in the direct employment of BTES including outside counsel, who represent or represented the interests of BTES in matters related to this proceeding.

“Employee(s)” means those persons in the direct employment of BTES, past and/or present.

“Person” and “persons” include individuals, firms, partnerships, associations, joint ventures, corporations, government entities, or other groups, however organized.

“Document” or “documentation” means any medium upon which intelligence or information can be recorded or retrieved, and includes, without limitation, the original and each copy, regardless of origin and location, of any book, pamphlet, periodical, letter, memorandum (including any memorandum or report of a meeting or conversation), invoice, bill, order, form, receipt, financial statement, accounting entry, diary, calendar, telex, telegram, e-mail, facsimile (“fax”), cable, report, recording, contract, agreement, study,

handwritten note, drawing, sketch, graph, index, list, tape, photograph, microfilm, data sheet or data processing tape, disk, file stored on computer, or any other written, recorded, transcribed, punched tape, filmed or graphic matter, however produced or reproduced, which is in your possession, custody, control or otherwise accessible to you or which was, but is no longer, in your possession, custody or control.

“Identification” or “identify” when used in reference to: (i) a document other than a contract or agreement, means to state: (1) its date; (2) its author; (3) the type of document; (4) its title; (5) its present location; (6) the name of each of its present custodians; (ii) a contract or agreement, means: (1) state the date of its making; (2) identify the parties thereto; (3) state whether the contract is oral or in writing; (4) state fully and precisely and separately all of the terms of said contract; (iii) a person other than an individual, means to state: (1) its full name; (2) its nature of organization, including the name of the state or country under the laws of which it was organized; (3) the address of its principal place of business; and (4) its principal line of business; (iv) a communication, requires you, if any part of the communications was written, to identify the document or documents which refer to or evidence the communication, and to the extent that the communication was not written, to identify the persons participating in the communication and to state the date, manner, place, and substance of the communication.

“Possession, custody or control” includes actual and constructive possession. Any document which is not in your immediate physical possession, but to which you have or had a right to compel or secure production from a third person or which is otherwise subject to your control, shall be obtained and produced as directed.

“Relate to” means concern, consist of, refer to, pertain to, reflect, evidence, or to be in any way logically or factually connected with the matter discussed.

“And” and “or” shall be construed both conjunctively and disjunctively, and each shall include the other whenever such construction will serve to bring within the scope of these interrogatories anything that would not otherwise be brought within their scope.

“Concerning” shall mean comprising, describing, evidencing, referring to, responding to, quoting, or pertaining in any way to any part of a specified subject matter and/or to the contents or subject matter of any document including the specified subject matter.

“Communication” includes, without limitation of its generality, correspondence, statements, agreements, contracts, discussions, conversation, speeches, meetings, remarks, questions, answers, panel discussions and symposia, whether written or oral. The term includes, without limitation of its generality, both communications and statements which are face-to-face and those which are transmitted by documents or by media such as e-mail, intercoms, telephones, television or radio, data systems, and electronic reproductions and delivery systems.

“UTSE” refers to United Telephone-Southeast, Inc.

“Telecommunications service,” and “service” are used herein to have the same definitions contained in the federal and state statutes, rules and regulations.

INSTRUCTIONS

These Interrogatories and Requests for Production of Documents are to be answered with reference to all information in your possession, custody or control or reasonably available to you. When the information requested by an Interrogatory varies over time, state the response for each period of time as to which the response differs, and identify the time periods. If you cannot answer an Interrogatory in full after exercising due diligence to secure all the information

requested, or do not have precise information with regard to any part of any Interrogatory, you should so state in your response, describing in full your effort to obtain the information requested, and then proceed to respond to the fullest extent possible. If you object to any part of any Interrogatory, answer all parts of the Interrogatory to which you do not object, and as to each part to which you do object, separately set forth the specific basis for the objection.

These Interrogatories and Requests for Production of Documents are continuing in nature. Thus, in the event that you obtain additional information with respect to any Interrogatory and Request for Production of Documents after it has been answered, you are required to supplement your response promptly following receipt of such additional information, giving the additional information to the same extent as originally requested. If you are unwilling to supplement your responses, please so state giving the legal basis for your refusal.

In the event that you assert that any requested information is not available in the form requested, in your written response thereto, you should disclose the following:

- a. The form in which the requested information currently exists (identifying documents by title or description);
- b. The earliest dates, time period, and location that representatives of UTSE may inspect your files, records or documents in which the information currently exists.

For each Interrogatory and Request for Production of Documents answered, provide the name, business address(es) and telephone number(s) of the person or persons answering, the title of such person(s), and the name of the witness or witnesses who will be prepared to testify concerning the matters contained in each response. If you do not intend to call or present a witness who is prepared to testify concerning the matters contained in any response, please so state.

INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Provide all documents related to the June 27, 2005 understanding between the Tennessee Valley Authority (TVA) and Bristol Tennessee Essential Services (BTES). Provide all documents exchanged between the TVA and BTES both before and after June 27, 2005 that relate to the understanding.

RESPONSE:

2. Referencing the June 27, 2005 understanding between the TVA and BTES at paragraph 3 (on page 2 of 4), fully explain how the interest rate on the inter-division loan(s) from the electric division to the cable/internet division and the telephone division (the Inter-Division Loans) will be calculated.

RESPONSE:

3. Will the interest rate on the Inter-Division Loans be re-calculated at some time interval to reflect the highest interest rate then earned by the electric division on invested electric funds?

RESPONSE:

4. Referencing the July 1, 2005 Resolution of the BTES Board of Directors, please provide any documents the General Manager has executed to consummate the Inter-Division Loans.

RESPONSE:

5. To extent loans have already been extended by the electric division to the cable/internet division and telephone divisions, fully explain the interest rate that is now being accrued on the loans.

RESPONSE:

6. In follow-up to Question 11 of United's First Set of Interrogatories to BTES, please provide the highest rate of interest earned by BTES on invested electric plant funds broken out by current and non-current assets for year 1999, 2000, 2001, 2002, 2003, 2004 and 2005 to date.

RESPONSE:

7. What amount of the proceeds from the July 2005 bond produced in response Question 12 of United's First Set of Interrogatories will be used to fund facilities that will provide cable television, internet and telephone services?

RESPONSE:

8. To the extent the July 2005 bond has been issued in such a way that interest thereon is excludable from gross income for federal income tax purposes, explain how BTES intends to comply with Tenn. Code Ann. §7-34-104(b) in general and subsection (b)(2) in particular.

RESPONSE:

9. Reference Question 15 of United's First Set of Interrogatories to BTES. Is its BTES' position that BTES does not need to obtain the consent of the local governing bodies of Sullivan County, Tennessee (in addition to any incorporated municipal entities with the county other than the City of Bristol) before beginning to provide telecommunications service in the areas of Sullivan County outside the City of Bristol, Tennessee.

RESPONSE:

10. Does BTES intend to provide telecommunications services to areas outside the municipal boundaries of the City of Bristol, Tennessee within the next year?

RESPONSE:

11. Referencing Question 21 of United's First Set of Interrogatories to BTES, please provide a list of depreciation lives of all accounts and sub-accounts associated with BTES' cable/internet division, telephone division and electric division.

RESPONSE:

12. Please provide all documents and worksheets that demonstrate the price BTES intends to charge for telecommunications services complies with the no subsidy, equivalency and imputation requirements of Tenn. Code Ann. §7-52-402, §7-52-404, §7-52-405, §7-34-104(b) and any other legal requirements known to BTES.

RESPONSE:

13. What is the purpose of the amendment made to the Cost Allocation Manual (CAM) filed with the Tennessee Regulatory Authority on November 23, 2005.

RESPONSE:

14. Provide all correspondences and documents relating to BTES obtaining approval of its CAM from the TVA. Was the TVA's approval of BTES' CAM legally required?

RESPONSE:

15. Referencing Question 23 of United's First Set of Interrogatories to BTES, explain in full why over 50% of total fiber infrastructure, new fiber and existing fiber is being allocated to the electric division.

RESPONSE:

16. Again referencing Question 23, explain in full why homes passed and total services allocators (that includes electric division homes passed and electric division services) should be used to allocate fiber infrastructure.

RESPONSE:

17. Explain in full the electric division's use of the fiber infrastructure, including incremental services/revenues provided and cost savings produced.

RESPONSE:

18. Provide all documents and business cases that demonstrate how the electric division will recover its allocation of the fiber infrastructure investment and maintenance costs.

RESPONSE:

19. Does BTES or its consultants know of any other municipal electric CAMs that allow for a similar allocation of infrastructure shared by electric services and competitive cable television, internet and/or telephone services?

RESPONSE:

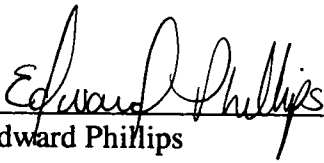
20. Please reference and provide copies of all municipal electric CAMs reviewed by BTES and its consultants in the process of establishing BTES' CAM.

RESPONSE:

21. Was the TVA's consent legally required before BTES could issue the July 2005 Bond? Provide all documents and correspondence between BTES and the TVA concerning the July 2005 Bond.

RESPONSE:

Respectfully submitted this the 16th day of December, 2005.



Edward Phillips
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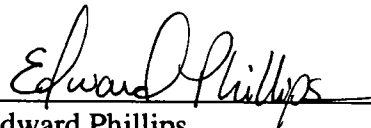
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served upon Henry Walker via overnight express and upon all other parties of record by U.S. Mail, first class postage prepaid, this 16th day of December, 2005.

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